

BROWNFIELD SUCCESS PROJECTS
Compiled by the Michigan Municipal League
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Alma

In Alma the Brownfield program is essential. It is difficult for Alma to grow without reusing a former site. Most recent industrial projects have involved Brownfields. Without the Brownfields, they would not have been possible. Some examples from Alma include:

- Moving Alma Iron and Metal off the riverfront to a parcel of land owned and used by Total Petroleum. Both sites use Brownfield's. Moving AIM off the river had been a city goal for over thirty years. There were many environmental concerns about having a scrap operation so close to the river. With the move, the City now has a modern, state of the art, scrap operation that provide an essential service for our local industry. Without the incentives from the Brownfield Act, the operation either would not have moved or they would have moved to a Greenfield. From a land use perspective, reusing the refinery site makes more sense.
- When Oxford Automotive closed, their plant had several environmental issues. With the Brownfield Act, Merrill Fabricators was able to move into Alma. They are now a major employer in Alma. They are talking about expansion. If they do, it will be on former refinery property which means the Brownfield incentives will be essential to the project. The City of Alma wants to bring the former refinery site back into productive use. They can only be done with Brownfield incentives.
- On the retail side, they have a developer start construction on a new building in the downtown. It is a very nice well designed building. Soon after construction started, an unrecorded, unknown underground storage tank was discovered. The developer was about to walk. By using the Brownfield, we managed to save the project.
- They have a number of other possible projects. Most require a Brownfield to be viable.

Ann Arbor

A \$50 million investment in a mixed-use student housing project in Ann Arbor was recently financed after a few failed attempts. The project could not have succeeded without the Brownfield credit.

Ann Arbor uses this incentive to clean up sites. It gives them an economic development and cleanup tool. They require source removal for Brownfield projects. They have created \$150 million of investment using the Brownfield tool. More than \$40 million in lower town alone using MBT credits – 600,000 sq feet of mixed use, Kroger/cvs/dry cleaning site.

Auburn Hills

Michigan Economic Growth Authority along with the local tax abatements, Brownfield credits, and Tool and Die Renaissance Zones are all used in Auburn Hills as tools for keeping or attracting businesses to our Community and allowing them to be competitive within their markets. The City of Auburn Hills

attracted over 25 new high tech businesses in 2010 with an estimated job creation over the next few years of 5,433 new direct jobs and an estimated 8,000 more indirect jobs. There are so many to list but a few were ALTe, Dokka Fasteners, Katcon, Magna E-Car, Magneti Marelli, PSCU, Weber Automotive, and U.S. Farathane. There were another 17 expansions with either second/third buildings or build-outs to existing buildings in 2010 that did not receive MEGA's but did received tax abatements or fast track permitting, part of the Auburn Hills Advantage.

Bay City

Stimulated by a Brownfield credit, a public/private partnership invested \$43.6 million on a contaminated riverfront downtown site to create a new hotel conference center.

Belding

The City of Belding has an abandoned historic silk mill on a 4.75 acre site located at the corner of Main Street and Bridge Street in the central part of our downtown. This site is also contaminated. It is imperative that the historical tax credits be preserved at the State level at its current funding and also the Brownfield tax credits. Without these tools, it will be next to impossible to redevelop this site at some point in the future. Attached is a copy of the Silk Mill Architectural Assessment Report for your reference.

The Richardson Mill sits in the heart of Belding's downtown and has a huge impact on Belding's revitalization efforts. This former Mill structure in Belding was renovated into housing by a private development group in the mid-80's with the assistance of MSHDA funds. The building was refinanced in the early 90's with a payment structure to the City and MSHDA. Last year, the building went into foreclosure and MSHDA took over management of the property. The Brownfield grant enabled a new purchaser to utilize \$26,742.93 in grant funds for a Phase II site testing and a Baseline Environmental Assessment to release the new owner from any liability. The Mill is now operating as a landmark in Belding.

Benton Harbor

The Harbor Shores project will result in over \$500 million of private investment on over 500 acres in Benton Harbor, Benton Township and St. Joseph. Many contaminated, former industrial sites have already been cleaned up and developed as part of this on-going, mixed-use project.

Whirlpool intends to invest over \$65 million in downtown Benton Harbor for an office campus, which helps retain its world headquarters in Michigan. The Brownfield credit was an important factor in Whirlpool's decision.

Berkley

Berkley has used the Brownfield Redevelopment program in collaboration with Oakland County. Oakland County has provided this small city with necessary expertise and all have benefited. Two businesses located in the City of Berkley due to this program: Strategic Energy Solutions and PM Environmental. These businesses are just the type that Michigan is hoping to recruit. See links to their websites: www.pmenv.com and www.sesnet.com. They currently

occupy a building that was owned by Fuller Tool (a tool and die company).

**Berrien
County**

Berrien County will use state and local tax capture valued at more than \$95.3 million to help advance the Harbor Shores redevelopment project in Berrien County. On October 18, 2005, state and local tax capture worth \$12.4 million was approved for the initial phases of the project. Since then, several project phases have been clarified and additional property has been added. The mixed-use development will include housing, hotels, a water park, golf course and retail/commercial opportunities. The project is expected to include more than \$500 million in private investment and create 2,000 new jobs
<http://www.harborshoresdevelopment.org/>

Brighton

For the City of Brighton, \$7.4 million in Brownfield tax credits approved in 2008 allowed for a \$59.8 million expansion/retooling project to happen, which included 105 new jobs and 171 retained jobs. The Brownfield Tax Credits were instrumental in securing the investment for Michigan as several other states were in the running for the project.

Dearborn

SEE ATTACHED – projects for site cleanup, development projects.

Dearborn has a recent project that received \$9.6 million MBT. The Dearborn Town Center project is a mixed-use multi-story development encompassing medical, retail and senior living residential facilities. The project plan entailed demolition of existing vacant structures, environmental clean up actions and the removal of above and below ground structures. The new development includes a three level, Class A, State-of-the-art medical facility specializing in the treatment of pediatrics, women and the elderly, with imaging, rehabilitation, treatment, pharmaceutical and other medical support services integrated within the facility, for a total of approximately 166,000 sq. ft., with ease of ingress and egress for those individuals with limited mobility. Immediately adjacent to the medical facility on the north side, bordering the alley, will be a new senior living residence of 96 units and approximately 100,000 sq. ft., with a capacity for approximately 116 residents. The senior living facility will have 50 dedicated surface level parking spaces. In addition, the project proposes to construct new a two-story office and retail building of approximately 22,000 sq. ft. (in addition to the retail space located in the medical facility) to meet the needs of the residents of the senior living facility and those frequenting the medical facility. Such retail amenities will also be open to the local community. To the immediate east of the medical facility, bordered by Schaefer Road and Osborne Street will be surface parking of 12 spaces, and a five level parking deck that will provide 624 spaces, for a total parking capacity, including the parking for the senior living facility, at the site of ---- vehicles. The project anticipates 505-518 full time jobs at the site, not including the employees associated with the separate retail/office building. The average hourly wage of all full-time jobs at the site will be \$24.52. The total capital investment will exceed \$67,500,000, with eligible investment estimated at approximately \$48,000,000. Based on the

above, the developer requested that this project be considered for the 20% credit allowable by 89 PA 2008 for urban development area project. The State of Michigan's Economic Development Authority agreed and authorized an MBT Credit of \$9,640,000. Approximately 181 employees are currently employed at an existing medical facility. The lease at this facility is set to expire, and larger and newer facilities are needed to continue the providing of medical services. Without the proposed development, current jobs may be lost or relocated to other locations.

**Dearborn
Heights**

- I have a signed purchase agreement with a corporation to purchase 32 acres of vacant land owned by the city that has been sitting idle for the past several years. The buyers are still in their due diligence period which has been extended to facilitate their putting in place a power purchase agreement with DTE Energy. The initial plan is to erect a 250KW solar panel farm in conjunction with a 100,000 sq. ft. film production studio. There were several credits available by the state and by the federal government that I employed in convincing the buyers to do business here instead of Canada. Money from our Brownfield authority to remediate the contamination and at the same cover the expense of installation of the foundation for the building and a parking lot for the facility was one of them. Certainly, the up to 42% tax credit for film production offered by the state was another. There are monies available from the federal government in the form of alternative energy production grants from the Department of Energy and various tax credits for the "Greening" of America.

The studio as well as the solar panel farm will create new jobs. An amicable agreement with DTE Energy will insure continued financing of the studio operation. Regarding the studio we could see as many as 100 jobs being created. For a community the size of Dearborn Heights, that's a lot of jobs. In addition, a 32 acre plot of land will go back on the tax rolls and once the buildings and other infrastructure improvements are completed the taxable value will increase. The corporation has a similar project just outside of Windsor that is nearing completion. The "post house" film production facility is built and the solar panel farm is awaiting one or two final permits before building begins. I am certain that without the above mentioned state credits the corporation would be looking elsewhere for their project to be built. The tax credit for film production is huge and I am certain will eventually produce thousands of jobs for Michigan. It would be a gross error to tinker with that legislation. Jobs and income have grown each years since its inception. Hollywood was not built in a day. What's needed now is the infrastructure to keep production companies here in Michigan. That's what we are trying to do here in our city.

Detroit

The Book Cadillac hotel was redeveloped by an Ohio developer. Brownfield MBT credits and other credits made this possible.

The Argonaut Building was redeveloped using a Brownfield tax credit.

Compuware's new \$350 million headquarters was supported by a \$30 million

Brownfield credit in addition to other tax savings bringing 1000s of jobs into Detroit.

The \$95 million rehabilitation of the Fort Shelby hotel resulted in a Doubletree Hilton hotel and 11 stories of residential apartments. In addition to other incentives, the 10% Brownfield credit was a critical catalyst for the project.

The City of Detroit sent me a list of projects and investments and jobs totals. For Detroit, \$280 million in MBT tax credits approved will leverage \$6 BILLION in investment and create 13,000 jobs. As they have pointed out, that's 21 times the return on investment. Cutting the Brownfield program would have drastic job and investment consequences.

Midtown Detroit's success has largely been attributed to the use of federal and state historic tax credits, Brownfield tax credits, New Market Tax Credits and a number of similar programs. Garfield Lofts, 71i Garfield Apartments, Ferry Street Inn, Woodward SA-PK parking structure and Blue Moon Bar, Garden Theater, Newberry Hall Apartments, New Amsterdam Apartments, Sugar Hill. Also, the Iodent Building downtown (in addition to the other projects listed).

Farmington Hills

In Farmington Hills we have used Brownfield credits to turn an abandoned garbage dump into a golf course. We had about 45,000 rounds of golf on our course last year and it is very successful. It has also created about 12 jobs

Ferndale

In Ferndale, the Brownfield MBT credits were critical in the development of the mixed use project at 211 E Nine Mile Road in Ferndale. In place of an old gas station (on contaminated land) they have 4 new commercial businesses and 36 lofts one block from downtown. \$522,000 of MBT credits lead to this \$9M project, and the developer stated that he wouldn't have done the project without the credits. He is interested in another project in the City and won't do it without the MBT Credit.

Flint

The mixed-use historic rehab of the Durant Hotel in downtown Flint was stimulated with a Brownfield credit, and has resulted in substantial investment in downtown Flint and the creation of 16 new jobs.

Grand Rapids

A \$30 million investment on the corner of Division and Fulton in downtown was recently completed for expansion of the Urban Institute of Contemporary Arts and construction of residential apartments and a parking ramp.

The Brownfield credit was critical to the \$200 million investment in new medical facilities in downtown Grand Rapids.

A 100 year old public high school building in downtown, adjacent to two

expressways, was abandoned and decaying before a private developer rehabilitated it into 180 residential condominiums with the help of a Brownfield credit. This project has made downtown living prevalent and affordable.

Grand Rapids produced significant outcomes through the use of the Brownfield Redevelopment Credit that includes 8,337 jobs or residents and over \$1.17 billion in private investment.

City of Grand Rapids Brownfield Redevelopment Authority created 7,360 jobs, Leveraged private investment of over \$1 billion, Redeveloped 275.55 acres, and Leveraged \$45.2 million in local & school taxes as well as \$80 million in MBT credits

They said that all of the projects would not have been considered without the credits. Many reasons make this incentive beneficial. The most important one in this economic climate is the fact that these credits can be used to gain additional equity into the project early on. Lenders aren't willing to do projects without significant equity these days, so removing even \$10M from this credit means a significant number of projects will be lost in the year they are reduced.

Holland

The empty 220,000 square foot Baker Furniture factory was developed into a mixed-use project consisting of 65 residential condominiums, health/fitness center, office, restaurant and retail space.

Jackson

Consumers Energy invested over \$70 million to redevelop 32 contaminated downtown parcels for their new corporate headquarters. Stimulated by a Brownfield credit, this project retained 1400 jobs in the downtown area while creating 150 new jobs.

Kalamazoo

Please find the attached table that lists City of Kalamazoo redevelopment projects leveraged by state tax credits. The list includes 14 projects and to date 10 of the projects have had credits issued in the total amount of \$7,427,868. Issuance of credits is pending on the remaining four projects. We urge the MML to take steps to help ensure that state tax credits can continue to be used to leverage Brownfield redevelopment projects. If you have questions or require additional information please contact Marc Hatton in our office. Thank you.

In Kalamazoo, \$11.9 million in MBT credits have lead to 1400-1500 jobs created or retained and \$177 - \$192 million in private investment.

Lansing

The \$100 million investment by the Accident Fund in the former Board of Power and Light building is another great example of the use of the Brownfield and other incentives to make the numbers work. Otherwise, Accident Fund was destined for Milwaukee and the City would still be forking over \$50k+ per year

to pay for an under performing City Market. They'd be without their \$3.2 million dollar riverfront enhancement, returning the east bank back to the citizens, and the new City Market would only know life in pictures in an architect's portfolio instead of a thriving income generator for dozens of farmers and small business owners.

A \$26 million investment on a 25 acre brownfield site resulted in the development of 183 owner occupied single family housing units on the site formerly known as the former Boys Training School, now known as East Village. A \$1 million Brownfield credit was utilized to incentivize the project.

Boji invested over \$60 million to develop the neighboring office complex building to the state capital on a former city owned contaminated site that now generates significant tax revenues to the city while housing over 150 professionals in downtown every day. This project was stimulated by a Brownfield credit.

There are about a dozen Lansing projects that would be nothing but blight and uncontrolled contamination if it weren't for the use of the incentive. The Governors Council on Physical Fitness building is a perfect example, we spent around \$250k in future new taxes to remove over a half dozen petroleum filled LUSTs (leaking underground storage tanks), and leveraged that to completely rehabilitate two vacant buildings on the site. What was the result? Over 25 new jobs for the city, one of the most aggressive participants in the neighborhoods revitalization, and an immediate positive impact on the neighboring property aesthetics and value.

The Cedar Street School was a vacant elementary school that was destined to meet the wrecking ball before two community-minded doctors decided they wanted to transform the space into a physical rehab/fitness center and make it the home to their practice. These weren't experienced developers, just physicians with a dream. We combined OPRA (to keep costs down at first) with Brownfield (to reimburse site infrastructure, utility upgrades, and offset contamination removal expenses) and Brownfield Tax Credits to help them create a LEED building and return the property to productive use in an area that was filled with red tagged homes and blight. Now the property is the centerpiece to a neighborhood's revitalization.

Ludington

The City of Ludington has approved 11 Brownfield Plans in the last 8 years, which were absolutely necessary in order to redevelop Brownfield properties. Sony Pictures filmed a movie here last summer, which it said would not have occurred without the film credit. At the time the Brownfield Plans were approved, the developers pledged about \$124 million in capital investment and the total eligible costs that could be paid by Brownfield funds would be about \$10.2 million. That being said, some of these projects have been completed, some have been partially completed, and some have not even started due to

the poor economy. While many of the Brownfield Plans involved the construction of waterfront condos, they did include two professional office buildings and a downtown grocery store. I would estimate about these developments have created about 30-40 jobs.

Fivoco invested over \$6 million to develop a mixed-use office/condominium project on a long abandoned downtown brownfield site stimulated by a \$540,000 Brownfield credit.

Marquette

Attached are several letters from City representatives and developers involving the importance of Brownfield Tax Credits. We know you'll do a great job stressing the importance of this to the Governor and Legislature. The pictures on the second page of the third attachment really show what a transformation has taken place at Founders Landing--progress only possible because of the Brownfield Tax Credits. We'll be sending copies of these documents to our local representatives. Thanks so much for bringing this to our attention, and please let us know what transpires from here! written statements from our developers who are using brownfield tax credits to redevelop a former brownfield on the shores of Lake Superior? They've stated that they simply would not be able to do the project without those credits. They've already invested millions, with tens of millions more planned...but it will only happen if those tax credits remain in place.

Monroe

Ventower Industries invested \$22 million and created 150 new jobs for a clean energy, wind tower manufacturing plant in Monroe. The Brownfield credit was critical to its success.

The City of Monroe and the Monroe Brownfield Redevelopment Authority has facilitated 22 Brownfield redevelopment projects with a total investment value of over \$100 million and job creation and preservation of over 320 jobs in the City of Monroe. This is a significant accomplishment for a community of 22,000 residents. They said that MBT credits, along with TIF, provide a necessary economic incentive to address many of the negative business factors associated with the redevelopment of the properties by spurring private development activities particularly in urban areas. Over \$26 million has been used to develop these properties and have leveraged over \$100 million in private investment. Brownfield sites in the City of Monroe include former paper mills, municipal land fills, gas stations, blighted and functionally obsolete properties. The present use for these brownfield properties include residential neighborhoods (providing homes to over 150 families), medical offices, banks, commercial and retail establishments, a National Park, warehouse and distribution facilities, and a proposed manufacturing facility supplying steel towers to wind turbine companies.

Mt Pleasant

Thanks for the opportunity to comment on these tax credit programs. The most

significant project in the City to take advantage was the renovation of the historic Borden Building, which is now occupied by the City offices. The project utilized an OPRA, brownfield tax credits, and historic preservation tax credits. I have been able to track down some of the details and can get others if they would be helpful. The OPRA was granted based on a real property investment of over \$4.8 million. The brownfield tax credits were awarded based on an anticipated total investment of \$8.5 million. The real story comes in reviewing the before and after pictures. I have attached a few for reference. The building had long been vacant, was clearly obsolete in its previous condition and a blight on the downtown. The finished product speaks for itself. We have many more before and after pictures should you need them. I am less intimately familiar with the second project to utilize an OPRA in the City. It involved the renovation of a former US Post Office and Public School office building. The OPRA helped to facilitate \$110,000 in private investment to bring the obsolete building to modern function and brought the property onto the tax roll. I hope that this information is helpful. If we can provide anything else, please don't hesitate to let me know.
(pictures in folder)

Muskegon

Betten Auto Dealerships recently invested nearly \$14 million in expanding and rehabilitating its GMC/Chevy/Cadillac auto dealership, and adding Honda, Hyundai and other dealerships in the City of Muskegon.

The former Muskegon Mall previously constituted the heart of downtown Muskegon. That building and others around it were abandoned. A public/private partnership acquired 23 acres in downtown and demolished all structures within a three square block area except for historically significant buildings to make way for the new downtown Muskegon – an Urban Village design with stores, offices, restaurants and residential use. A brownfield credit was critical to this project, which is expected to result in over \$100 million in investment and the addition of 500 – 600 residents in downtown.

See report – Muskegon Shoreline Development

Newaygo

There is a facility in our community know as The Stream that is 13,000 Sq Ft and serves as an economic and educational hub for the county. It is an innovative, multi-use facility that some communities are now looking to mimic. A key part of putting the project together to help make it financially feasible was Brownfield tax credits and the tools available under Brownfield redevelopment. I wanted to pass it along and hope it helps the legislators in their quest to identify what tools are important to the economic development of the state.

Quincy

The Village of Quincy created 170 new jobs and \$10 million in investment by partnering Brownfield credits with a Brownfield grant to assist their largest taxpayer and water user. They were able to renovate a building that was falling down and becoming an eyesore.

- Saginaw** A \$10 million investment on a riverfront brownfield site by the Michigan Cardiovascular Institute resulted in the development of a regional heart medical complex. An \$800,000 Brownfield credit prompted the project on this site.
- Corvas Nodular invested \$110 million to develop a new manufacturing facility on an abandoned former Auto Foundry site creating 130 new jobs. The project was stimulated by a \$1 million Brownfield credit.
- Sterling Heights** Locally one of the best tools for us has the Brownfield Credits. Especially with decaying manufacturing buildings, the Brownfield credits have helped projects such as BAE, Casadei Steel, RoboVent, Chrysler, and the Macomb Group.
- Sturgis** Sturgis has two recent projects that were made possible with Brownfield tax credits - Kirch Lofts and the Kirsch Industrial Park. Without the brownfield tax credit, they are certain that both buildings would be sitting empty.
- Traverse City** A \$100 million investment was stimulated by a Brownfield credit to redevelop the former Traverse City State Hospital into what is now known as The Village at Grand Traverse Commons. This dramatic turnaround of this long neglected facility could not have occurred without the stimulus of the Brownfield credits.
- Copper Ridge invested over \$70 million to redevelop a 70 acre contaminated site into a state-of-the-art surgical center, creating over 700 new jobs and increasing the tax base to over \$22 million from \$99,000. This was stimulated by the first Brownfield credit issued in Traverse City.
- Three Rivers** The City of Three Rivers has used the Brownfield program repeatedly. It encouraged investment and revitalized parts of our community. This tool requires private investment dollars to be used in any project and so far people have done what they said.
- Troy** We created our BRA to accommodate the Midtown development- it was formerly the Ford New Holland tractor plant- and now is a mixed use development- with both housing and also retail. This dates back to 2000, however. If you want additional details, here is a starting point:
<http://www.troymi.gov/BrownfieldRedevelopmentAuthority/BrownfieldPlans.aspx>
Although there is a reference to the Pavillions at the old K Mart headquarters on the web page... unfortunately, the economy took its turn for the worse right around that time... so it's still a dream.
- Tuscola** The Tuscola County BRA leveraged Brownfield dollars to create 146 jobs.